

Central Intelligence Agency



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China's Korea Policy

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The recent fall of Hu Yaobang, who had special responsibility for relations with the Korean peninsula, in our judgment will not seriously affect China's Korea policy. The Chinese still seek to avoid a political or military crisis on the Korean peninsula that could bring China into conflict with the United States and Japan, and want to curb Soviet influence in P'yongyang without abandoning Beijing's growing indirect trade ties to Seoul.

A Chinese Foreign Ministry official on 3 February reaffirmed to the US Embassy in Beijing that China opposes the annual US-ROK Team Spirit joint military exercise as heightening North Korean insecurity and reliance on the Soviet Union. The official said the Chinese would raise the issue with Secretary Shultz:

- The official characterized P'yongyang's recent proposal to hold bilateral political/military talks with Seoul as aimed at reducing tensions on the peninsula, but doubted that the talks were intended to take the place of North Korea's standing proposal for tripartite talks with the South and the United States.

North Korea has tilted toward the Soviet Union rather than China since 1984, and Beijing is concerned that P'yongyang might conduct joint ground force exercises with Moscow and permit greater Soviet use of North Korean ports:

- P'yongyang already allows overflights of its territory by Soviet reconnaissance missions targeted against China and US forces in Okinawa.
- The Soviet Union and North Korea have exchanged naval port calls,

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Chinese and North Korean media commentaries suggest bilateral tensions, most recently over P'yongyang's suspicions that Beijing supports cross-recognition between North and South Korea. At the same time, however, there are signs that both China and North Korea desire to shore up ties:

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- In addition to endorsing P'yongyang's proposed political/military talks with Seoul and opposing Team Spirit, Beijing recently publicly reiterated its support for the North Korean Olympic Committee's proposal to co-host the 1988 Olympics.

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- China has publicly endorsed Kim's son, Kim Chong-il, as heir apparent, while the Soviets have not. For his part, Kim Chong-il reportedly is strongly biased in favor of the Chinese.

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Beijing continues to encourage a greater US role in improving relations between Seoul and P'yongyang, and has repeatedly expressed its willingness to host--but not participate in--tripartite talks involving the United States and the two Koreas:

- Chinese Foreign Minister Wu Xueqian told Secretary of Defense Weinberger in October that the United States should develop direct, unofficial contacts with North Korea.

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- China's indirect trade with the ROK is more than double its trade with North Korea (\$1.2 billion and \$500 million, respectively, in 1985).
- Chinese athletes participated in the 1986 Asian Games in Seoul and will probably return for the 1988 Olympics.

China's Korean policy will face major challenges if the South-North talks collapse, Soviet-North Korean military cooperation continues to expand, or there is serious instability on the peninsula. In each case, Beijing's initial reaction probably would be a combination of counseling P'yongyang to exercise restraint and pressing Washington harder to show some flexibility toward the North.

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